

FISCAL NOTE

SB 445 - HB 454

March 5, 2007

SUMMARY OF BILL: Limits the ability to negotiate medical fees that are lower than the workers' compensation comprehensive medical fee schedule.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$155,000/ Risk Management Fund

Other Fiscal Impact -

Forgo savings which exceed \$179,000 to the Risk Management Fund.

Forgo Savings to local governments which exceed \$1,000,000

Assumptions:

- In calendar year 2006, the state realized a savings of \$1,279,650 below fee schedule. The state paid \$1,100,155 in fees to get those savings and to get all bills repriced.
- Under the provisions of this bill, the state could not use a vendor for such services. The state will not realize the \$1,279,650 in savings but would also not pay the \$1,100,155 in fees. As a result the state will forgo savings of approximately \$179,495.
- The state will still have to contract with a vendor to reprice all bills to the fee schedule. According to the Treasury Department, the cost of the contract will exceed \$155,000.
- Local governments will forgo fee schedule savings in an amount exceeding \$1,000,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

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A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director